

115TH CONGRESS
1ST SESSION

S. 1663

To amend the Internal Revenue Code of 1986 to enhance the requirements for secure geological storage of carbon dioxide for purposes of the carbon dioxide sequestration credit.

IN THE SENATE OF THE UNITED STATES

JULY 27, 2017

Mr. HOEVEN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to enhance the requirements for secure geological storage of carbon dioxide for purposes of the carbon dioxide sequestration credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “CO₂ Regulatory Cer-
5 tainty Act”.

1 **SEC. 2. SECURE GEOLOGICAL STORAGE OF CARBON DIOX-**
 2 **IDE.**

3 Paragraph (2) of section 45Q(d) of the Internal Rev-
 4 enue Code of 1986 is amended to read as follows:

5 “(2) SECURE GEOLOGICAL STORAGE.—

6 “(A) IN GENERAL.—Not later than De-
 7 cember 31, 2017, the Secretary, in consultation
 8 with the Administrator of the Environmental
 9 Protection Agency, the Secretary of Energy,
 10 and the Secretary of the Interior, shall establish
 11 regulations for determining adequate security
 12 measures for the geological storage of carbon
 13 dioxide under paragraph (1)(B) or (2)(C) of
 14 subsection (a) such that the carbon dioxide does
 15 not escape into the atmosphere.

16 “(B) REQUIREMENTS.—The regulations
 17 established pursuant to subparagraph (A) shall
 18 provide that—

19 “(i) for purposes of paragraph (1)(B)
 20 of subsection (a), carbon dioxide shall be
 21 considered disposed of in secure geological
 22 storage if such carbon dioxide is stored in
 23 compliance with rules promulgated by the
 24 Environmental Protection Agency under
 25 subpart RR of part 98 of title 40, Code of
 26 Federal Regulations (as in effect on the

1 date of the enactment of this paragraph),
2 under the Clean Air Act (42 U.S.C. 7401
3 et seq.) and rules under the Safe Drinking
4 Water Act (42 U.S.C. 300f et seq.) which
5 are applicable to carbon dioxide disposed of
6 in secure geological storage and not used
7 as a tertiary injectant in a qualified en-
8 hanced oil or natural gas recovery project,
9 and

10 “(ii) for purposes of paragraph (2)(C)
11 of subsection (a), carbon dioxide shall be
12 considered disposed of in secure geological
13 storage if such carbon dioxide is stored in
14 compliance with rules promulgated by the
15 Environmental Protection Agency which
16 are applicable to carbon dioxide used as a
17 tertiary injectant in a qualified enhanced
18 oil or natural gas recovery project under—

19 “(I) subpart UU of part 98 of
20 title 40, Code of Federal Regulations
21 (as in effect on the date of the enact-
22 ment of this paragraph), under the
23 Clean Air Act, and

24 “(II) subpart C of part 146 of
25 title 40, Code of Federal Regulations

1 (as in effect on the date of the enact-
 2 ment of this paragraph), under the
 3 Safe Drinking Water Act, to the ex-
 4 tent such rules are applicable to Class
 5 II wells.”.

6 **SEC. 3. QUALIFIED ENHANCED OIL OR NATURAL GAS RE-**
 7 **COVERY PROJECT.**

8 Paragraph (4) of section 45Q(d) of the Internal Rev-
 9 enue Code of 1986 is amended—

10 (1) by striking “by substituting” and inserting
 11 “determined—

12 “(A) by substituting—”,

13 (2) by striking the period and inserting “,
 14 and”, and

15 (3) by inserting at the end the following:

16 “(B) without regard to subparagraph
 17 (A)(iii) thereof.”.

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